

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
September 11, 2014

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, September 11, 2014 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Loren Iglarsh, Chairperson
Lori Laidlaw, Vice Chairperson
Timothy Blair, Executive Secretary

Others Present:

Steve Bochenek, Attorney
Kathy Yemm, Manager, Claims Division
Don Williams, Supervisor, Disability Section
Kerry Walker, Disability Section
Mike Noblet, Supervisor, Pension and Death Section
Cory Mitchelle, Pension and Death Section
Alan Fowler, Manager, Accounting Division
Joseph Maggio, Manager, Service and Refunds Division
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the August 14, 2014 meeting of the Executive Committee were presented by Chairman Iglarsh for approval. Copies of the minutes were previously mailed to Committee members for review. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Laidlaw, and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of August, 2014 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of August, 2014, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Laidlaw, and by unanimous vote, the Routine Claims and Denials Report were approved as submitted.

Old Business

Alice Short – Occupational Disability

Alice Short works for a state agency and was granted a medical leave of absence. Ms. Short's claim for disability benefits was previously denied based on a review of medical documentation.

Alice Short had a personal hearing at the February 6, 2014 meeting, represented by her attorney Steven W. Berg, to appeal the denial of occupational disability benefits.

Based on her job duty descriptions, our medical consultant did not find Ms. Short to be disabled from performing the duties of her job. Ms. Short claimed the Job Duty Statement was not completed accurately.

At the February 6, 2014 meeting, Ms. Short's appeal was deferred and it was decided that SERS would request a new job duty statement from Ms. Short's supervisor and set up another evaluation with the System's medical consultant using the new job duty statement.

SERS received an updated job duty statement and it was sent to our medical consultant for review. Ms. Short's agency indicated that help is available to her for heavy and above the shoulder lifting. Our medical consultant reviewed the updated job description and the agency's willingness to provide assistance when needed and opined she could return to work. It was agreed that Attorney Berg will be given an opportunity to depose our medical consultant. That deposition was completed and referred to the Committee.

Attorney Berg accompanied Ms. Short to the July meeting. He signed a Waiver of Procedures form in regards to Ms. Short's case and introduced some additional evidence. Attorney Berg argued that the medical consultant who saw Ms. Short has never treated anyone with these problems and he (the consultant) ignored positive findings of other doctors.

Ms. Short stated that her job duty statement is incorrect and she does not always have help available to her when needed.

After hearing the facts on the case, the Committee determined they would need additional medical office notes from 2007 to the present from Ms. Short's psychiatrist. Mr. Berg indicated he would get the information.

At the September 11, 2014 Executive Committee meeting, Don Williams handed out additional medical information regarding Ms. Short. The systems' attorney, Steve Bochenek, will review the additional medical evidence and make a recommendation at the next meeting.

David Harris – Pension -Alternative Formula Consideration

David Harris worked at the Department of Financial and Professional Regulations before he retired. The System previously denied Mr. Harris' request to be allowed to retire under the alternative formula. Mr. Harris appealed to the circuit court and this matter was remanded to the System for additional consideration.

At the August 14, 2014 Executive Committee meeting Mr. Rhine, Mr. Harris' attorney, and Mr. Harris were present for an 11:00 a.m. hearing via video conference from the Chicago office.

Matthew Balinski, acting HR Director for IDFPD through the Administrative Regulatory Shared Service Center for the Department of Revenue, was a witness in the case, as was Alan Fowler, manager of SERS' Accounting Division.

This case was referred to Steve Bochenek, to develop a recommendation to present to the Committee at its next meeting.

At the September 11, 2014 Executive Committee meeting, Steve Bochenek presented a proposed recommendation. Attorney Bochenek stated, according to David Harris' agency, he was a controlled substance inspector effective January 1989. Mr. Harris did not pursue changing his title with his employing agency. It was recommended to adhere to Article 14 and follow the consent of the employing agency that he was a controlled substance inspector.

After review of the proposed recommendation and some discussion, Vice Chairperson Laidlaw made a motion to approve the recommendation and deny David Harris' request to have his date to participate in the alternative formula changed from January 1, 1989 to August 1, 1987, seconded by Chairman Iglarsh. All were in favor.

John Hartnett – Level Income – RTW - Deferred

John Hartnett originally retired May 1, 2003 electing the Level Income Option and subsequently returned to work September 4, 2012. Upon his return, SERS refunded his ERI contributions and adjusted his service credit. Mr. Hartnett is currently working and is contemplating retiring again.

The Pension Section is seeking advice as to whether his "second" retirement would be calculated using the level income option since his "first" retirement was based on Mr. Hartnett selecting a level income option. Attorney Bochenek previously advised the Committee that the Pension Code was silent on this question but that there were difficulties in continuing with the initial election.

At the May Executive Committee meeting, Steve Bochenek, SERS' attorney, recommended working up figures on different scenarios to propose to Mr. Hartnett. Tim Blair will send these scenarios to Attorney Bochenek for review and consideration of whether any new policies should be adopted by the Executive Committee regarding this issue.

The Committee deferred the case until further information is received.

Benita Walker – Disability Benefits Suspended - Deferred

Benita Walker works as an Account Clerk II for the Illinois Department of Corrections at Stateville Correctional Center. She last worked on January 6, 2014 and began her medical leave of absence on January 7, 2014 due to vertigo, dizziness, headaches, nausea, and vomiting.

Her file went for medical review on April 22, 2014. It was at that time determined that though this member did have a medical impairment, it was established that the severity and limitations due to the impairment did not preclude the performance of sedentary work as was described. It was therefore determined that the medical evidence in file did not substantiate the presence of a disabling impairment.

Her non-occupational disability claim went before the Executive Committee April 10, 2014 and was denied. Ms. Walker disagrees with the temporary denial of her benefits and is requesting a written appeal.

At the August 14, 2014 Executive Committee meeting, after the case was discussed, Chairman Iglarsh stated that the System needed neurological notes regarding Ms. Walker before making a decision. The matter was deferred.

Aubra Hall – Adult Disabled Child

Joyce Appling retired from the State of Illinois effective January 1, 2006. Upon her death on October 12, 2012, we were contacted by her son, Aubra Hall, indicating he wanted to apply for disabled adult child benefits on his mother's account.

Mr. Hall is receiving disabled child benefits from the Social Security Administration on his mother's account. When Joyce Appling originally returned her pension application she did not list any disabled adult children. Later, she listed Aubra Hall as a disabled adult child.

Aubra Hall submitted medical information in order to qualify for benefits. Mr. Hall's file was reviewed by a SERS medical consultant, who stated the medical evidence in file does not establish the presence of a disabling impairment.

Mr. Hall has been unable to locate any tax forms to support his case; however, he sent in Social Security information showing he is disabled as of April 30, 1991 (now that his mother is deceased he is drawing off of his mother's account). A new medical was sent to our SERS physician to help determine if Aubra Hall is disabled from a physical and/or mental standpoint. We have not received any medical information that substantiates that Aubra Hall is medically unable to work.

Don Williams attempted to get medical information on Mr. Hall from Social Security. Social Security said they had purged the medical they had and do not have a recent medical on file. Additional attempts were made to obtain additional information to document Aubra was dependent upon his mother at the time of her death. No new documentation supporting the claim was available. Aubra did acknowledge that he was not living with his mother at the time of death.

After reviewing the information at the August 14, 2014 Executive Committee meeting, the case was referred to Steve Bochenek to develop a recommendation for presentation to the Committee at their next meeting.

At the September 11, 2014 Executive Committee meeting, Steve Bochenek brought a recommendation #2014-04 on the case of Aubra Hall. He indicated that there was no information substantiating there was any dependency by Aubra on his mother prior to her death. Two medical consultants both concluded that Mr. Hall was not disabled. One opinion was based on physical conditions and the other upon psychiatric condition.

After reviewing the case and some discussion, a motion was made by Executive Secretary Blair to accept recommendation 2014-04 and to deny Aubra Hall's request for survivor benefits, seconded by Vice Chairperson Laidlaw. All were in favor.

New Business

Shawn P. Holmes – Military Service Credit

Shawn P. Holmes is requesting that he be allowed to purchase 16 months of military service credit, even though he terminated employment (discharged for cause) on November 11, 2013. Mr. Holmes was advised on several occasions that he must establish military service credit while he was an employee of the state.

Mr. Holmes had a personal appeal scheduled for the September 11, 2014 Executive Committee meeting; however, he had to cancel on short notice. He will be rescheduled for the October 7, 2014 meeting.

Michael Eurkaitis – 12 Month Waiver - Occupational

Michael Eurkaitis works as an operations supervisor for the Illinois Department of Transportation. Mr. Eurkaitis was injured at work October 3, 2011. Mr. Eurkaitis had 2 periods of absence where he received workers' compensation benefits; the first period October 12, 2011 – October 26, 2011; the second period December 3, 2012 – December 19, 2012. Mr. Eurkaitis was denied due to not applying within 12 months.

Michael Eurkaitis is appealing the denial of his occupational disability benefits. Mr. Eurkaitis is requesting the 12 month filing period be waived.

After some discussion, a motion was made by Chairman Iglarsh to approve the request to waive the 12 month filing period of Mr. Eurkaitis' disability benefits. The motion was seconded by Vice Chairperson Laidlaw and all were in favor.

Lakeysha Harris – 12 Month Waiver - Occupational

Lakeysha Harris is a parole agent with the Department of Corrections. She recently applied for occupational disability benefits for the time period of February 1, 2013 – April 7, 2014. Her application was denied because she did not apply within 12 months. Ms. Harris is requesting the Executive Committee waive the 12 month rule.

After some discussion, a motion was made by Vice Chairperson Laidlaw to approve the request to waive the 12 month filing period of Ms. Harris' disability benefits. The motion was seconded by Executive Secretary Blair and all were in favor.

Dennis Pepel – Service and Refunds – Alternative Formula Request

Dennis Pepel is requesting a written appeal before the Executive Committee. He is requesting that the 5 months layoff period be credited toward the alternative formula.

Mr. Pepel returned to work in a position under the regular formula. Senate Bill 36 states that the required employee contribution shall be based on the rate of compensation earned by the employee on the date of returning to employment after the layoff and the contribution rate then in effect, and the required interest shall be calculated at the actuarially assumed rate from the date of returning to employment after the layoff to the date of payment.

After discussing the facts of the case, Executive Secretary Blair made a motion to deny Dennis Pepel's appeal to have his 5 month layoff period be credited toward the alternative formula, seconded by Chairman Iglarsh. All were in favor.

Glenn Johnson – Pension – Re-appeal Level Income

Glenn Johnson's request to have the level income option revoked was heard in January 2013 and denied in February 2013 based on recommendation #2013-002. He re-appealed in May 2013 and submitted additional medical evidence to support his appeal. His request for re-appeal was denied in May 2013.

He is now requesting a re-appeal with a statement from Douglas Sullivant, M.D. indicating additional medical evidence. Mr. Johnson just became aware of the new medical evidence and feels his appeal should be reconsidered on this basis.

After discussing the additional medical information, Chairman Iglarsh made a motion to approve the request for a re-appeal, seconded by Executive Secretary Blair. All were in favor.

After discussing the merits of the case, Chairman Iglarsh made a motion to deny the request to change the level income option election, seconded by Executive Secretary Blair. All were in favor.

Bruce Chenoweth – Pension – Reciprocity

Bruce Chenoweth retired December 31, 2009 and began drawing his pension effective January 1, 2010. Mr. Chenoweth is asking to have his application amended retroactively to January 1, 2010 to be allowed to take advantage of the reciprocal provisions of the law. He has one year of service with TRS from July 1970 – June 1971.

Mike Noblet, supervisor of the Pension Section, stated that doing this would increase Mr. Chenoweth's retirement annuity approximately \$33 per month because SERS would owe an additional amount under the reciprocal pension guarantee.

After discussing the facts of the case, Vice Chairperson Laidlaw motioned to approve Mr. Chenoweth's request to amend his application with SERS to include the reciprocal provisions of pension laws with TRS, seconded by Executive Secretary Blair. All were in favor.

Lisa Westbrooks – Nonoccupational Disability

Lisa Westbrooks is a teacher for the Department of Corrections. She last worked July 26, 2013 and began a medical leave on August 1, 2013. Ms. Westbrooks was sent to an IME, Randal Wojciehoski, DPM., D.O., who stated there was no disabling evidence of a medical impairment; she was still able to do her job duties. Her disability benefits were suspended June 30, 2014.

Lisa Westbrooks' file was reviewed by SERS' medical consultant, who opined the evidence in file is insufficient to establish the presence of a disabling impairment. This matter was deferred.

Patricia Hunter – Re-appeal of Social Security Overpay

Patricia Hunter is asking for a re-appeal of her Social Security overpayment. Ms. Hunter originally appealed her SSA overpayment at the June 2014 Executive Committee. Her appeal was denied.

SERS' Vouchering Section sent Ms. Hunter a contract to repay her SSA overpayment at the rate of \$500 per month. Ms. Hunter has not signed the repayment contract and subsequently returned to work on June 4, 2014.

After discussing the facts of the case, Executive Secretary Blair made a motion to deny the re-appeal of Patricia Hunter to appeal the overpayment. The motion was seconded by Vice Chairperson Laidlaw and all were in favor. Ms. Hunter may have an informal conference with staff regarding lowering her overpayment collection rate.

Senate Bill 3309

With the passing of Senate Bill 3309, SERS can now collect on an overpayment if the error is discovered within 3 years from the mistake (after August 26, 2011), or 3 years prior to adoption of benefit. If the error is discovered after the 3 year period, it can only be corrected from the date of discovery, going forward. Steve Bochenek will draft rules regarding this legislation for Executive Secretary Blair to review prior to giving to the Board of Trustees for approval.

Steve Bochenek advised SERS staff to go back and recheck calculations of files within that time frame for accuracy and not to change any payment plans already in place.

Wayne Robke – Overpay – Retroactive Retirement

Wayne Robke works as a business manager for Hill Correctional Center. He last worked on January 17, 2010. He began a medical leave of absence on February 28, 2010.

Mr. Robke turned 66 years of age on October 26, 2012. At this time his nonoccupational disability benefits should have been offset in the amount of \$2,134.00, which is the unreduced

retirement benefit he was eligible to receive from Social Security; however, a tickler was not set by SERS and therefore his benefit was not offset. This created an overpayment of \$46,948.00.

Had Mr. Robke been aware that his benefit was to be offset in October of 2012 he would have chosen to take his pension at that time.

Mr. Robke is requesting the Executive Committee allow him to retire retroactively, October 2012.

After reviewing the facts of the case, it was recommended to work up different calculation scenarios to see what options Mr. Robke has. This case will be deferred until the next meeting.

V. Policy – Disability Section – Opinion Regarding Offset of Future Medical

Kathy Yemm, Claims Manager, and Don Williams, Disability Supervisor, have been working on a policy regarding offset of future medical. They suggested to allow for either \$5,000 or \$10,000 without documentation. Anything over \$10,000 would need documentation. Don wrote the following “Issue Memo” with a recommendation to be presented at the September Executive Committee:

When a person suffers a work related accident that effects “part of the body”, PPD is paid by the IWCC. The PPD is 60% of the AWW. The SERS is determined by taking the PPD rate (60% of the AWW) times 52 (weeks) divided by 12 (months). This equals the amount of the monthly offset from SERS occupational disability.

When figuring what amount of the lump sum settlement will be offset, we subtract attorney fees, expenses, and future medical costs listed in the settlement from the total amount of the settlement.

Once the total offset amount has been collected for the specified period of time, the employee would be eligible to receive the full occupational disability benefit, assuming that all eligibility criteria continues to be met.

Vice Chairperson Laidlaw motioned to approve the policy recommendation as modified, seconded by Executive Secretary Blair. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:00 a.m.

The next meeting of the Executive Committee is scheduled for Tuesday, October 7, 2014, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary